



FHA Tax Credit Pilot & Insurance Products

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FHA LIHTC PILOT PROGRAM



Streamlined-Enhanced FHA 223(f) & LIHTCs

- Rehab expenditures of up to \$40,000/unit
- Tax credit or Bond Cap allocation in hand
- Located within Pilot Hub areas (or in the case of RAD projects, underwritten in an assigned Pilot Hub)
- Using MAP lender approved for the Pilot
- Low risk, meeting/sustaining occupancy requirements



FHA MULTIFAMILY MORTGAGE INSURANCE



Section 223(f)

- Refinance or acquisition
- Minor/moderate repairs (\$6,500/unit*high cost factor)
- Permanent debt with repair escrow up to 35 years
 - —90% rental assistance: DSC 1.15; Loan to Value: 87%
 - —Affordable: DSC 1.176; Loan to Value: 85%



FHA MULTIFAMILY MORTGAGE INSURANCE



Section 221(d)(4)

- Substantial rehab: 2 major building systems
- Construction/permanent debt all in one initial/final closing
- 40-year financing
 - —90% rental assistance: DSC 1.11; Loan to Cost: 90%
 - —Affordable DSC 1.15 Loan to Cost: 87%



Using FHA Products: Considerations



Why/When FHA?

- Low current rates—effective rent subsidy locked in for term of contract
- Longer amortization periods—35-40 years
- Non-recourse to the borrower
- More flexibility in managing rehab
 - -Immediate needs
 - Years 2-5
 - Years 6-20